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Consumer Price Index, West Region — December 2016

Area prices were unchanged over the past month, up 2.5 percent from a year ago

Prices in the West Region, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), were unchanged in December, the U.S. Bureau of Labor Statistics reported today. (See [table A](#).) During December lower prices for apparel and gasoline helped counter higher shelter prices. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U rose 2.5 percent. (See [chart 1](#) and [table A](#).) Energy prices rose 2.5 percent, largely the result of an increase in the price of electricity. The index for all items less food and energy increased 2.9 percent over the year. (See [table 1](#).)

Food

Food prices inched up 0.2 percent for the month of December. (See [table 1](#).) Prices for food at home and prices for food away from home both edged up 0.2 percent for the same period.

Over the year, food prices were unchanged. Prices for food at home declined 1.9 percent since a year ago, but prices for food away from home advanced 2.7 percent.

Energy

The energy index decreased 1.7 percent over the month. The decrease was mainly due to lower prices for gasoline (-3.4 percent). Prices for electricity were virtually unchanged (-0.1 percent), and prices for natural gas service declined 0.3 percent for the same period.

Energy prices rose 2.5 percent over the year, largely due to higher prices for electricity (5.1 percent). Prices paid for natural gas service advanced 4.0 percent, and prices for gasoline advanced 0.4 percent during the past year.

All items less food and energy

The index for all items less food and energy edged up 0.1 percent in December. Higher prices for shelter (0.6 percent) and medical care (0.3 percent) were partially offset by lower prices for apparel (-4.1 percent) and household furnishings and operations (-0.1 percent).

Over the year, the index for all items less food and energy increased 2.9 percent. Components contributing to the increase included shelter (5.4 percent) and medical care (3.4 percent). Partly offsetting the increases were price declines in education and communication (-1.1 percent) and household furnishings and operations (-0.6 percent).

Table A. West Region CPI-U monthly and annual percent changes (not seasonally adjusted)

Month	2011		2012		2013		2014		2015		2016	
	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual	Monthly	Annual
January.....	0.5	1.4	0.4	2.6	0.3	1.7	0.3	1.7	-0.3	0.7	0.5	2.6
February.....	0.6	1.9	0.4	2.5	0.8	2.0	0.4	1.3	0.6	0.9	0.1	2.1
March.....	0.9	2.6	0.9	2.4	0.4	1.5	0.6	1.5	0.8	1.1	0.2	1.5
April.....	0.6	3.0	0.2	2.1	0.0	1.3	0.3	1.8	0.3	1.0	0.5	1.8
May.....	0.3	3.2	0.2	2.0	0.2	1.3	0.6	2.3	0.8	1.2	0.5	1.5
June.....	-0.2	3.1	-0.2	2.0	0.1	1.5	0.1	2.3	0.0	1.1	0.2	1.6
July.....	-0.1	2.9	-0.3	1.8	0.0	1.9	0.1	2.3	0.3	1.3	0.1	1.4
August.....	0.2	3.0	0.5	2.1	0.1	1.5	-0.1	2.1	-0.1	1.3	0.0	1.5
September.....	0.4	3.5	0.5	2.2	0.2	1.3	0.1	2.0	-0.2	1.0	0.3	2.0
October.....	0.0	3.4	0.4	2.5	-0.1	0.9	-0.1	2.0	0.0	1.1	0.3	2.3
November.....	-0.2	3.2	-0.7	1.9	-0.4	1.3	-0.6	1.7	-0.2	1.5	-0.2	2.3
December.....	-0.3	2.7	-0.5	1.7	0.0	1.8	-0.5	1.3	-0.1	1.8	0.0	2.5

The January 2017 Consumer Price Index for the West Region is scheduled to be released on Wednesday February 15, 2017.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/homch17_a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater

volatility than the national index, although their long-term trends are quite similar. **NOTE: Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The West Region covered in this release is comprised of the following thirteen states: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods West (1982-84=100 unless otherwise noted)

Item and Group	Indexes			Percent change from-		
	Oct. 2016	Nov. 2016	Dec. 2016	Dec. 2015	Oct. 2016	Nov. 2016
Expenditure category						
All Items.....	249.897	249.448	249.516	2.5	-0.2	0.0
All items (December 1977=100).....	403.945	403.218	403.328			
Food and beverages	251.902	251.105	251.557	0.2	-0.1	0.2
Food	251.766	250.877	251.372	0.0	-0.2	0.2
Food at home	245.051	243.396	243.848	-1.9	-0.5	0.2
Food away from home.....	260.057	260.265	260.818	2.7	0.3	0.2
Alcoholic beverages	250.423	250.874	250.740	2.3	0.1	-0.1
Housing	269.287	269.068	270.315	4.7	0.4	0.5
Shelter	306.763	307.505	309.296	5.4	0.8	0.6
Rent of primary residence(1).....	322.717	324.716	326.453	5.7	1.2	0.5
Owners' equiv. rent of residences(1)(2).....	321.546	323.569	325.186	5.5	1.1	0.5
Owners' equiv. rent of primary residence(1)(2).....	321.556	323.579	325.202	5.5	1.1	0.5
Fuels and utilities.....	292.784	285.299	285.285	4.5	-2.6	0.0
Household energy	255.621	245.626	245.607	4.8	-3.9	0.0
Energy services(1)	258.405	247.811	247.545	4.8	-4.2	-0.1
Electricity(1).....	283.386	274.032	273.864	5.1	-3.4	-0.1
Utility (piped) gas service(1).....	215.177	200.941	200.425	4.0	-6.9	-0.3
Household furnishings and operations.....	128.653	128.384	128.283	-0.6	-0.3	-0.1
Apparel	122.540	120.424	115.540	-0.2	-5.7	-4.1
Transportation	198.088	197.566	196.162	0.6	-1.0	-0.7
Private transportation	192.528	191.730	190.526	1.0	-1.0	-0.6
New and used motor vehicles(3).....	99.591	99.027	99.138	-0.6	-0.5	0.1
New vehicles	147.660	148.005	148.170	1.4	0.3	0.1
New cars and trucks(3)(4)	102.540	102.789	102.898	1.4	0.3	0.1
New cars(4)	144.931	145.031	145.548	0.5	0.4	0.4
Used cars and trucks.....	134.005	131.976	131.799	-3.9	-1.6	-0.1
Motor fuel	210.132	207.062	200.117	0.5	-4.8	-3.4
Gasoline (all types).....	209.335	206.182	199.133	0.4	-4.9	-3.4
Gasoline, unleaded regular(4).....	206.703	203.490	196.348	0.3	-5.0	-3.5
Gasoline, unleaded midgrade(4)(5).....	199.935	197.222	191.794	0.5	-4.1	-2.8
Gasoline, unleaded premium(4).....	206.935	204.463	198.147	1.0	-4.2	-3.1
Medical Care	473.706	473.402	474.889	3.4	0.2	0.3
Medical care commodities.....	357.783	356.252	359.850	4.2	0.6	1.0
Medical care services.....	510.693	510.854	511.526	3.2	0.2	0.1
Professional services	351.944	351.991	353.054	3.2	0.3	0.3
Recreation(3).....	112.100	111.750	111.583	0.8	-0.5	-0.1
Education and communication(3).....	137.050	137.293	137.192	-1.1	0.1	-0.1
Other goods and services	409.272	410.257	411.130	1.2	0.5	0.2
Commodity and Service Group						
All Items.....	249.897	249.448	249.516	2.5	-0.2	0.0
Commodities	178.689	177.732	176.753	-0.2	-1.1	-0.6
Commodities less food & beverages.....	142.283	141.306	139.812	-0.5	-1.7	-1.1
Nondurables less food & beverages	180.595	179.010	175.707	0.3	-2.7	-1.8
Nondurables less food, beverages, and apparel	221.874	220.591	218.214	0.5	-1.6	-1.1
Durables	107.174	106.718	106.731	-1.5	-0.4	0.0
Services.....	315.754	315.799	316.878	4.0	0.4	0.3
Rent of shelter(2).....	326.484	327.282	329.203	5.5	0.8	0.6
Transportation services	288.372	290.285	290.356	2.0	0.7	0.0

Note: See footnotes at end of table.

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods West (1982-84=100 unless otherwise noted) - Continued

Item and Group	Indexes			Percent change from-		
	Oct. 2016	Nov. 2016	Dec. 2016	Dec. 2015	Oct. 2016	Nov. 2016
Other services	342.064	341.973	341.731	1.0	-0.1	-0.1
Special aggregate indexes:						
All items less medical care	239.671	239.216	239.221	2.4	-0.2	0.0
All items less food	249.778	249.395	249.398	2.9	-0.2	0.0
All items less shelter	227.905	226.941	226.273	0.9	-0.7	-0.3
Commodities less food	146.308	145.361	143.891	-0.4	-1.7	-1.0
Nondurables	216.212	214.975	213.387	0.2	-1.3	-0.7
Nondurables less food	185.711	184.231	181.085	0.5	-2.5	-1.7
Nondurables less food and apparel	224.277	223.150	220.977	0.7	-1.5	-1.0
Services less rent of shelter(2)	337.637	336.692	336.780	2.2	-0.3	0.0
Services less medical care services	302.194	302.232	303.333	4.1	0.4	0.4
Energy	232.851	226.655	222.722	2.5	-4.3	-1.7
All items less energy	253.220	253.197	253.565	2.5	0.1	0.1
All items less food and energy	254.241	254.364	254.712	2.9	0.2	0.1
Commodities less food and energy commodities	139.753	139.023	138.161	-0.5	-1.1	-0.6
Energy commodities	214.140	211.279	204.534	0.5	-4.5	-3.2
Services less energy services	320.223	320.930	322.096	4.0	0.6	0.4

Footnotes(1) This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

(2) Index is on a December 1982=100 base.

(3) Indexes on a December 1997=100 base.

(4) Special index based on a substantially smaller sample.

(5) Indexes on a December 1993=100 base.

Regions defined as the four Census regions. West includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

NOTE: Index applies to a month as a whole, not to any specific date. Data not seasonally adjusted.